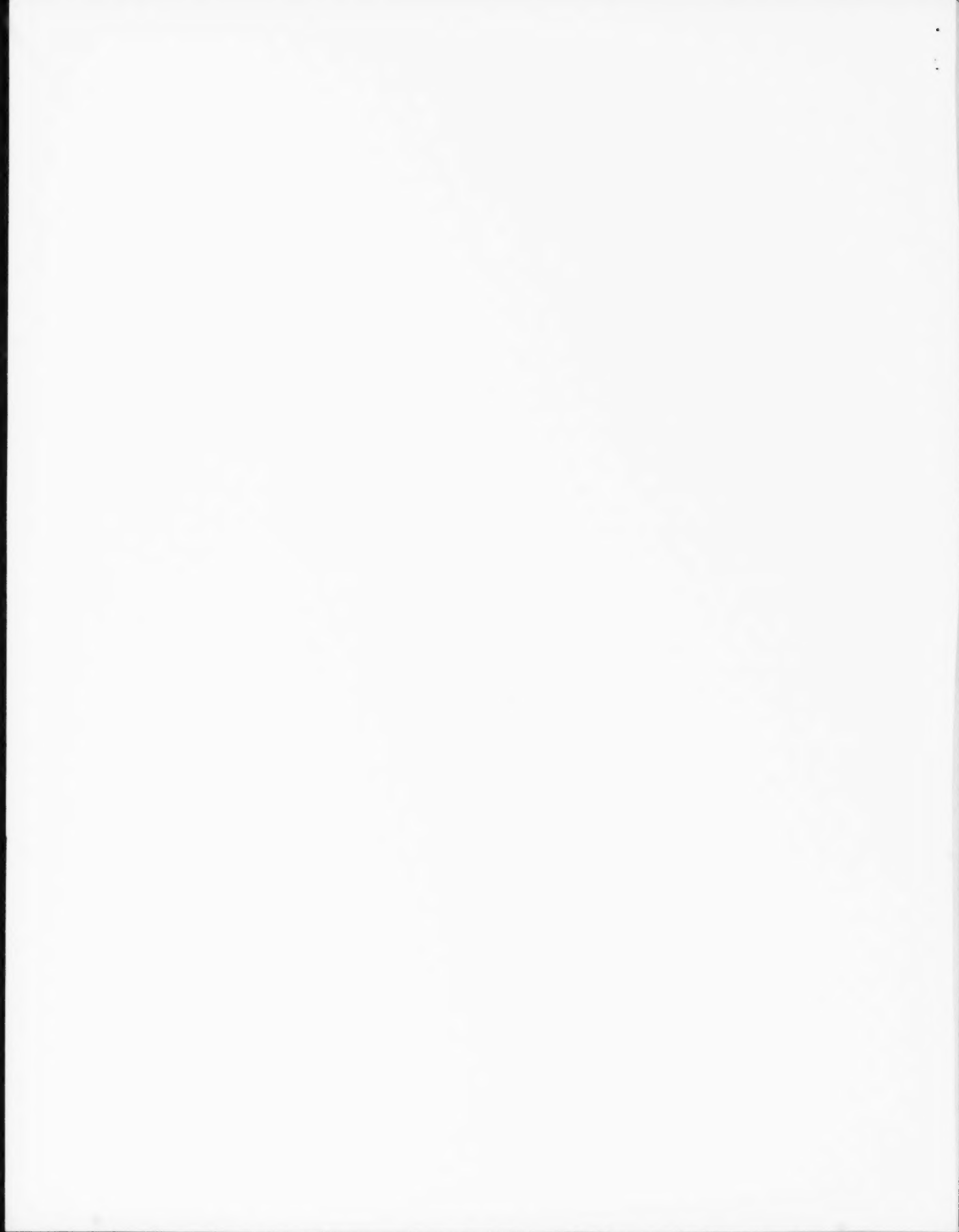


NORTHLANDS COLLEGE

FINANCIAL STATEMENTS

June 30, 2010



AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF NORTHLANDS COLLEGE

We have audited the statement of financial position of Northlands College (the "College") as at June 30, 2010 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

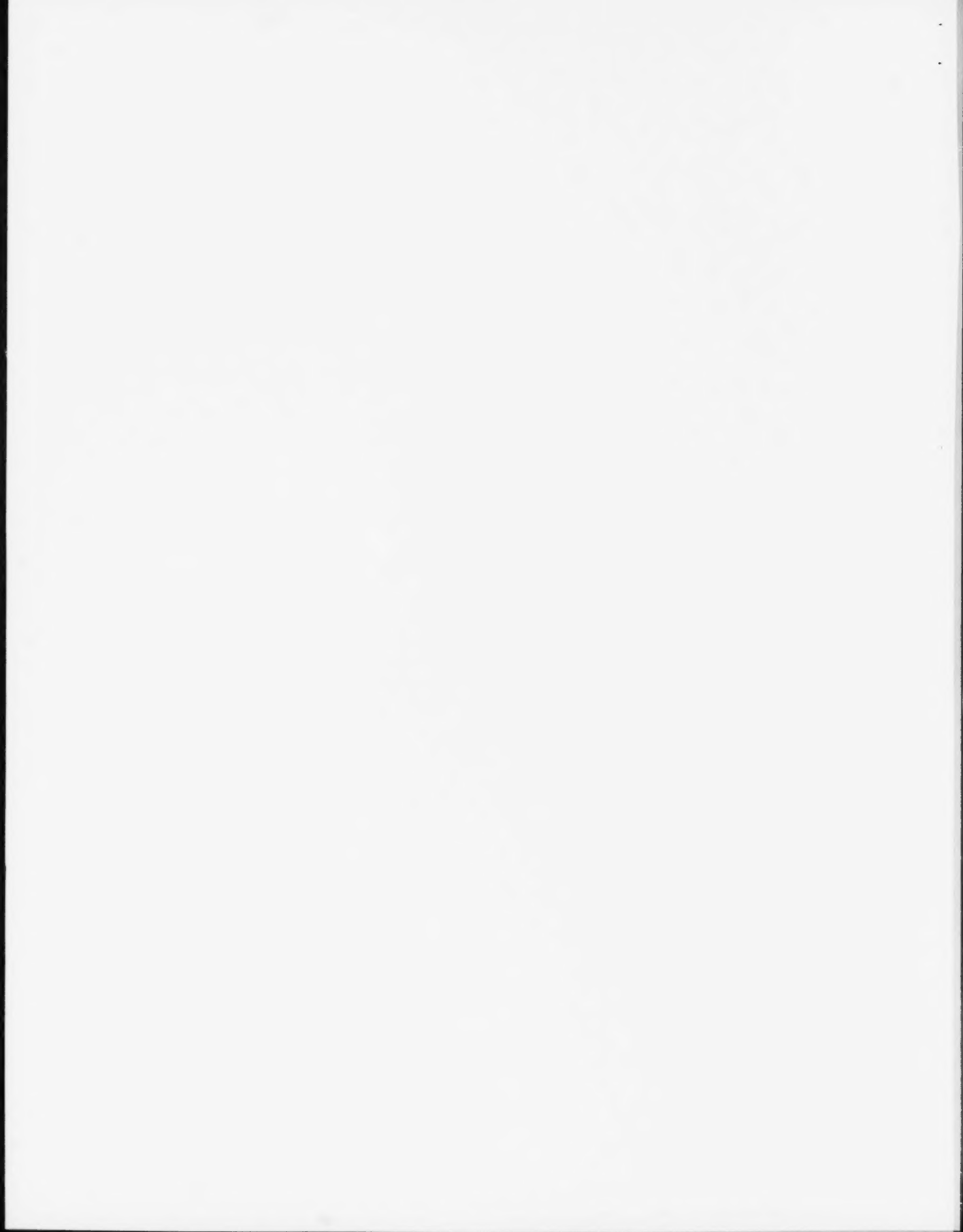
We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP.

Chartered Accountants

August 13, 2010



Northlands College
Statement of Financial Position
as at June 30, 2010

Statement 1

	2010			2009
	Operating Fund	Capital Fund	Total	Total
Assets				
Current Assets				
Cash	\$ 4,553,893	\$ -	\$ 4,553,893	\$ 4,340,364
Accounts receivable (note 4)	1,431,772	-	1,431,772	1,432,237
Prepaid expenses	65,474	-	65,474	66,609
Inventory for consumption	65,911	-	65,911	65,912
	<u>6,117,050</u>	<u>-</u>	<u>6,117,050</u>	<u>5,905,122</u>
Non-current Assets				
Capital assets (note 5)	-	3,978,603	3,978,603	4,495,275
	<u>\$ 6,117,050</u>	<u>\$ 3,978,603</u>	<u>\$ 10,095,653</u>	<u>\$ 10,400,397</u>
Liabilities				
Current Liabilities				
Accrued salaries and benefits	\$ 782,857	\$ -	\$ 782,857	\$ 730,534
Accounts payable and accrued liabilities (note 6)	791,975	-	791,975	946,527
Unearned revenue (note 7)	2,310,354	-	2,310,354	2,345,860
Current portion of long-term debt (note 8)	-	44,916	44,916	42,657
	<u>3,885,186</u>	<u>44,916</u>	<u>3,930,102</u>	<u>4,065,578</u>
Non-current Liabilities				
Long-term debt (note 8)	-	396,067	396,067	440,981
	<u>3,885,186</u>	<u>440,983</u>	<u>4,326,169</u>	<u>4,506,559</u>
Net Assets				
Invested in capital assets	-	3,537,620	3,537,620	4,011,637
Restricted (note 9)	1,854,085	-	1,854,085	1,504,421
Unrestricted	377,779	-	377,779	377,780
	<u>2,231,864</u>	<u>3,537,620</u>	<u>5,769,484</u>	<u>5,893,838</u>
	<u>\$ 6,117,050</u>	<u>\$ 3,978,603</u>	<u>\$ 10,095,653</u>	<u>\$ 10,400,397</u>

On behalf of the Board:

B. Shabouze

Director

Gail Walker

Director/CFO

Statement 2

Northlands College
Statement of Operations
for the year ended June 30, 2010

	2010 Budget (Note 10)	Operating Fund		Capital fund		Total 2010	Total 2009
		2010	2009	2010	2009		
Revenues (Schedule 1)							
Provincial Government	\$ 11,963,374	\$ 11,962,240	\$ 11,220,848	\$ 106,544	\$ 568,625	\$ 12,068,784	\$ 11,789,473
Federal Government	-	22,803	705,567	-	-	22,803	705,567
Other revenue	3,438,632	4,845,389	4,012,694	-	-	4,845,389	4,012,694
	<u>15,402,006</u>	<u>16,830,432</u>	<u>15,939,109</u>	<u>106,544</u>	<u>568,625</u>	<u>16,936,976</u>	<u>16,507,734</u>
Expenses (Schedule 2)							
Agency contracts	2,427,155	2,965,728	3,200,141	3,481	-	2,969,209	3,200,141
Amortization	603,314	-	-	645,817	603,113	645,817	603,113
Equipment	471,036	481,959	510,975	1,067	-	483,026	510,975
Facilities	1,576,288	1,564,920	1,486,321	32,316	-	1,597,236	1,486,321
Information technology	119,110	98,385	173,931	15,893	-	114,278	173,931
Operating (Schedule 3)	2,435,780	2,474,481	2,123,170	229	-	2,474,710	2,123,170
Personal services	8,513,625	8,777,054	8,060,835	-	-	8,777,054	8,060,835
	<u>16,146,308</u>	<u>16,362,527</u>	<u>15,555,373</u>	<u>698,803</u>	<u>603,113</u>	<u>17,061,330</u>	<u>16,158,486</u>
(Deficiency) Excess of Revenues over Expenses	<u>\$ (744,302)</u>	<u>\$ 467,905</u>	<u>\$ 383,736</u>	<u>\$ (592,259)</u>	<u>\$ (34,488)</u>	<u>\$ (124,354)</u>	<u>\$ 349,248</u>

See accompanying notes to financial statements

Statement 3

Northlands College
Statement of Changes in Net Assets
for the year ended June 30, 2010

	2010			2009
	Invested in capital assets	Restricted	Unrestricted	Total
(Deficiency) excess of revenues over expenses	\$ (592,259)	\$ -	\$ 467,905	\$ (124,354)
Net assets, beginning of year	4,011,637	1,504,421	377,780	5,893,838
Interfund transfers:				
Invested in capital assets	224,786	(67,932)	(156,854)	-
Externally imposed restrictions	(106,544)	106,544	-	-
Internally imposed restrictions	-	311,051	(311,051)	-
Net assets, end of year	<u>\$ 3,537,620</u>	<u>\$ 1,854,084</u>	<u>\$ 377,780</u>	<u>\$ 5,769,484</u>
Restricted details: (Note 9)				
	Beginning Balance	To Restricted	From Restricted	Ending Balance
<u>Externally Restricted</u>				
Capital Purchases (Ministry of Advanced Education, Employment and Immigration)	-	106,544	106,544	-
	Beginning Balance	To Restricted	From Restricted	Ending Balance
<u>Internally Restricted</u>				
Capital Equipment Purchase Reserve	15,066	75,000	11,387	78,679
Building Capital Reserve	250,000	125,000	-	375,000
Building Maintenance Reserve	717,423	200,000	90,974	826,449
Machinery & Equipment Maintenance Reserve	50,000	-	50,000	-
Information Technology Reserve	99,851	125,000	27,672	197,179
Training and Education Reserve	372,081	93,295	88,599	376,777
	<u>\$ 1,504,421</u>	<u>\$ 618,295</u>	<u>\$ 268,632</u>	<u>\$ 1,854,084</u>
Total restricted net assets, end of year	<u>\$ 1,504,421</u>	<u>\$ 724,839</u>	<u>\$ 375,176</u>	<u>\$ 1,854,084</u>

See accompanying notes to financial statements

Statement 4

Northlands College
Statement of Cash Flows
for the year ended June 30, 2010

	<u>2010</u>	<u>2009</u>
Cash flows from (used in) operating activities		
(Deficiency) excess of revenues over expenses	\$ (124,354)	\$ 349,248
Amortization of capital assets	<u>645,817</u>	<u>603,113</u>
	521,463	952,361
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	465	(765,800)
Decrease (increase) in prepaid expenses	1,135	(15,062)
(Increase) in inventory for consumption	-	(65,912)
Increase in accrued salaries and benefits	52,323	27,132
(Decrease) increase in accounts payable and accrued liabilities	(154,552)	243,707
(Decrease) in unearned revenue	<u>(35,506)</u>	<u>(764,201)</u>
Cash (used in) operating activities	<u>385,328</u>	<u>(387,775)</u>
Cash flows from (used in) investing activities		
Purchase of capital assets	<u>(129,142)</u>	<u>(793,794)</u>
Cash used in investing activities	<u>(129,142)</u>	<u>(793,794)</u>
Cash flows from (used in) financing activities		
Repayment of long-term debt	<u>(42,657)</u>	<u>(40,343)</u>
Cash used in financing activities	<u>(42,657)</u>	<u>(40,343)</u>
Net increase (decrease) in cash	213,529	(1,221,912)
Cash, beginning of year	<u>4,340,364</u>	<u>5,562,276</u>
Cash, end of year	<u>\$ 4,553,893</u>	<u>\$ 4,340,364</u>
Supplemental information		
Interest paid on long-term debt	\$ 25,959	\$ 28,273

See accompanying notes to financial statements

Northlands College
Schedule of Operating Fund Revenues by Function
for the year ended June 30, 2010

Schedule 1

	2010							2010	2010 Budget	2009
	General	Skills Training		Adult Basic Education		University	Services	Total	Total (Note 10)	Total
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support Counsel			
Provincial Government										
Advanced Education, Employment and Immigration										
Operating grant	\$ 5,713,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,713,755	\$ 5,633,001	\$ 5,136,235
Program payments	421,808	1,846,442	251,680	1,565,289	986,875	217,185	207,855	5,622,860	5,487,701	5,553,180
Other	459,539	-	-	-	-	-	125,726	459,539	702,360	380,149
	6,595,102	1,846,442	251,680	1,565,289	986,875	217,185	207,855	11,796,154	11,823,062	11,069,564
Other Provincial	-	31,121	-	-	134,965	-	-	166,086	140,312	151,284
	6,595,102	1,877,563	251,680	1,565,289	1,121,840	217,185	207,855	11,962,240	11,963,374	11,220,848
Federal Government										
Admin recovery	-	-	-	-	-	-	-	-	-	33,000
Program payments	7,696	-	-	-	15,107	-	-	22,803	-	671,550
Other	-	-	-	-	-	-	-	-	-	1,017
	7,696	-	-	-	15,107	-	-	22,803	-	705,567
Other Revenue										
Admin recovery	362,711	-	-	-	-	-	-	362,711	261,337	266,807
Contracts	48,392	1,529,620	323,847	62,842	549,587	-	50,000	2,564,288	1,762,659	2,020,857
Interest	17,537	-	-	-	-	-	-	17,537	97,350	90,629
Rents	43,091	3,040	214	6,932	7,781	-	95,903	167,411	39,200	130,861
Resale items	38	135,036	999	515	-	-	32,186	168,774	89,104	109,435
Tuitions	861	504,332	6,406	79,508	-	1	179,730	770,838	562,772	462,797
Other	775,216	2,708	1,314	669	1,500	10,000	12,423	803,830	626,210	931,308
	1,247,846	2,174,736	332,780	150,466	558,868	10,001	370,242	4,845,389	3,438,632	4,012,694
Total revenue	7,850,644	4,052,299	584,460	1,715,755	1,695,815	227,186	578,097	16,830,432	15,402,006	15,939,109
Total operating expenses (Schedule 2)	5,223,757	4,093,350	594,692	1,764,539	1,677,955	375,128	1,727,964	16,362,527	15,542,994	15,555,373
(Deficiency) excess of revenues over expenses	\$ 2,626,887	\$ (41,051)	\$ (10,232)	\$ (48,784)	\$ 17,860	\$ (147,942)	\$ (1,149,867)	\$ 467,905	\$ (140,988)	\$ 383,736

See accompanying notes to financial statements

Schedule 2

Northlands College
Schedule of Operating Fund Expenses by Function
for the year ended June 30, 2010

	2010								2010	2010 Budget	2009
	General	Skills Training		Adult Basic Education		University	Services		Total	Total (Note 10)	Total
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel			
Agency contracts	\$ 295,082	\$ 1,471,102	\$ 244,738	\$ 349,863	\$ 260,676	\$ 35,754	\$ 302,979	\$ 5,534	\$ 2,965,728	\$ 2,427,155	\$ 3,200,141
Equipment	167,561	153,584	21,413	23,633	39,285	6,573	45,200	24,710	481,959	471,036	510,975
Facilities	691,272	264,779	17,302	99,138	92,800	-	388,095	11,534	1,564,920	1,576,288	1,486,321
Information technology	58,202	5,648	-	69	11,131	160	1,981	21,194	98,385	119,110	173,931
Operating (Schedule 3)	935,260	730,824	176,919	138,209	234,180	29,260	161,096	68,733	2,474,481	2,435,780	2,123,170
Personal services	3,076,380	1,467,413	134,320	1,153,627	1,039,883	303,381	828,613	773,437	8,777,054	8,513,625	8,060,835
	<u>\$ 5,223,757</u>	<u>\$ 4,093,350</u>	<u>\$ 594,692</u>	<u>\$ 1,764,539</u>	<u>\$ 1,677,955</u>	<u>\$ 375,128</u>	<u>\$ 1,727,964</u>	<u>\$ 905,142</u>	<u>\$ 16,362,527</u>	<u>\$ 15,542,994</u>	<u>\$ 15,555,373</u>
		<u>\$ 4,688,042</u>		<u>\$ 3,442,494</u>			<u>\$ 2,633,106</u>				

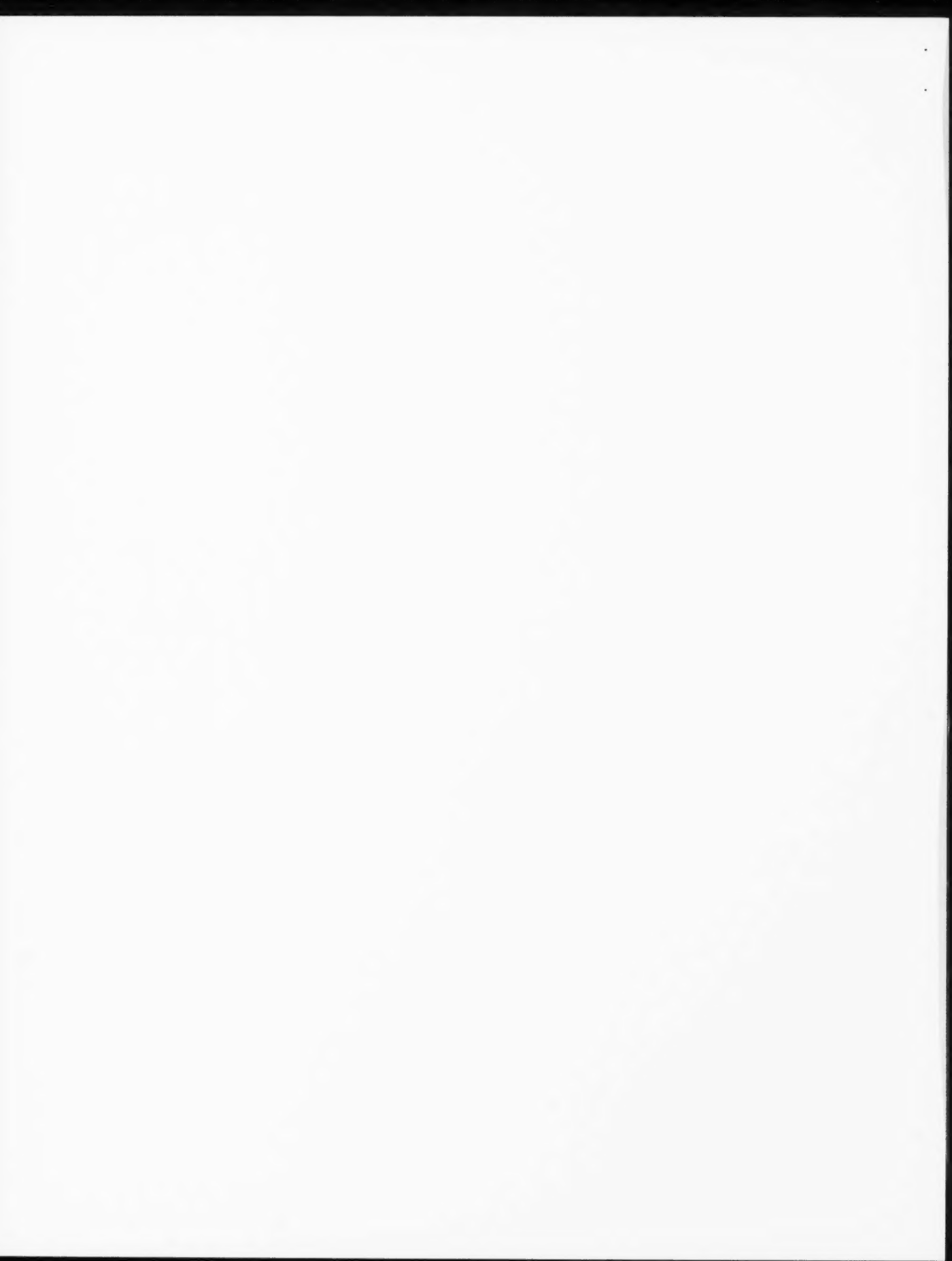
See accompanying notes to financial statements

**Northlands College
Schedule of Operating Expenses
for the year ended June 30, 2010**

Schedule 3

	2010	2010 Budget (Note 10)	2009
	<u>Total</u>	<u>Total</u>	<u>Total</u>
Advertising	\$ 189,127	\$ 146,147	\$ 160,550
Association fees and dues	29,782	24,358	20,374
Bad debts (recovery)	10,673	48,716	39,027
Financial services	26,592	24,358	28,602
In-Service	81,938	97,431	56,961
Insurance	98,481	73,073	80,579
Materials and supplies	722,144	608,945	548,447
Printing and copying	88,253	73,073	83,862
Professional services	53,702	19,486	24,916
Resale items	150,783	121,789	90,553
Subscriptions	5,106	4,872	5,694
Telephone and fax	114,681	121,789	115,442
Travel	682,333	925,596	794,311
Other	220,886	146,147	73,852
	<u>\$ 2,474,481</u>	<u>\$ 2,435,780</u>	<u>\$ 2,123,170</u>

See accompanying notes to financial statements



Northlands College
Notes to the Financial Statements
For the year ended June 30, 2010

1. PURPOSE AND AUTHORITY

Northlands College (the "College") offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The College Board plays an integral part in strategic direction and management guidance.

The purpose of the College is to provide credit and non-credit classroom and vocational training to meet the needs of regional constituents and industry. Northlands College is exempt from the payment of income tax.

2. CHANGES IN ACCOUNTING POLICIES

Not-for-profit organizations

On July 1, 2009 the College has adopted the changes made to Sections 1540, 4400, 4430 and 4460 and the new recommendations of Section 4470 of the CICA Handbook.

Section 1540 has been amended to include not-for-profit organizations within its scope. As a result, investing and financing activities are now presented separately.

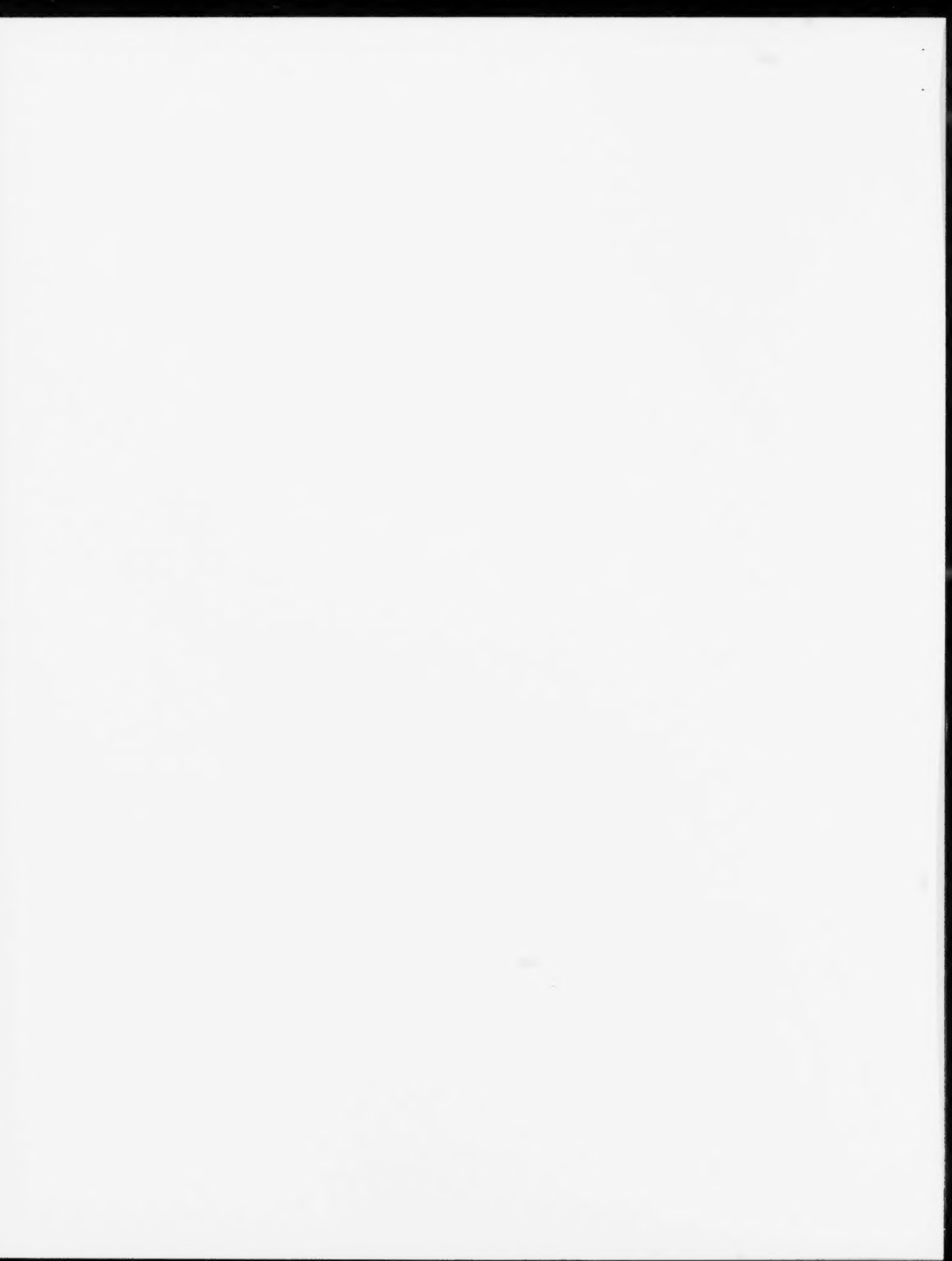
Section 4400 has been amended in order to eliminate the requirement to treat net assets invested in capital assets as a separate component of net assets and, instead, permit a not-for-profit organization to present such an amount as a category of internally restricted net assets when it chooses to do so. It also clarifies that revenues and expenses must be recognized and presented on a gross basis when a not-for profit organization is acting as a principal in transactions.

Section 4430 has been amended to specify that smaller organizations that capitalize their capital assets shall capitalize all classes of capital assets and amortize and write down those assets in accordance with relevant Handbook Sections.

Section 4460 has been amended to make the language in Section 4460 consistent with related party transactions, Section 3840.

Section 4470 establishes disclosure standards for a not-for-profit organization that classifies its expenses by function and allocates its expenses to a number of functions to which the expenses relate.

The adoption of those new standards had no impact on the financial statements.



3. SIGNIFICANT ACCOUNTING POLICIES

Pursuant to standards established by the Public Sector Accounting Board, the College is classified as a government not-for-profit organization. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to not-for-profit entities and include the following significant policies:

a) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. For accounting and reporting purposes, resources are classified in funds in accordance with specified activities or objectives:

(i) Operating Fund

The operating fund accounts for the College's program delivery, services and administrative activities.

(ii) Capital Fund

The capital fund reflects the net book value of all capital assets of the College less long-term debt incurred to finance the purchase of capital assets. The capital fund also includes contributions, interest and donations designated for capital purposes by the contributor.

b) Revenue Recognition

The College follows the restricted fund method of accounting for contributions. Restricted contributions related to the general operations are recognized as revenue of the operating fund in the year that the related expenses are incurred. Contributions restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating contributions are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the service is provided. Revenue from contractual services is recognized as the service is provided.

c) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets costing under the asset threshold are expensed in the current year.

Capital assets are amortized on a straight-line basis over their estimated useful lives as follows and amortization is reported as an expense in the capital fund:

Buildings	20 years
Furniture and equipment	3 to 10 years
Leasehold improvements	Term of lease or useful life
Vehicles	5 years
Other assets	10 years

d) Cash

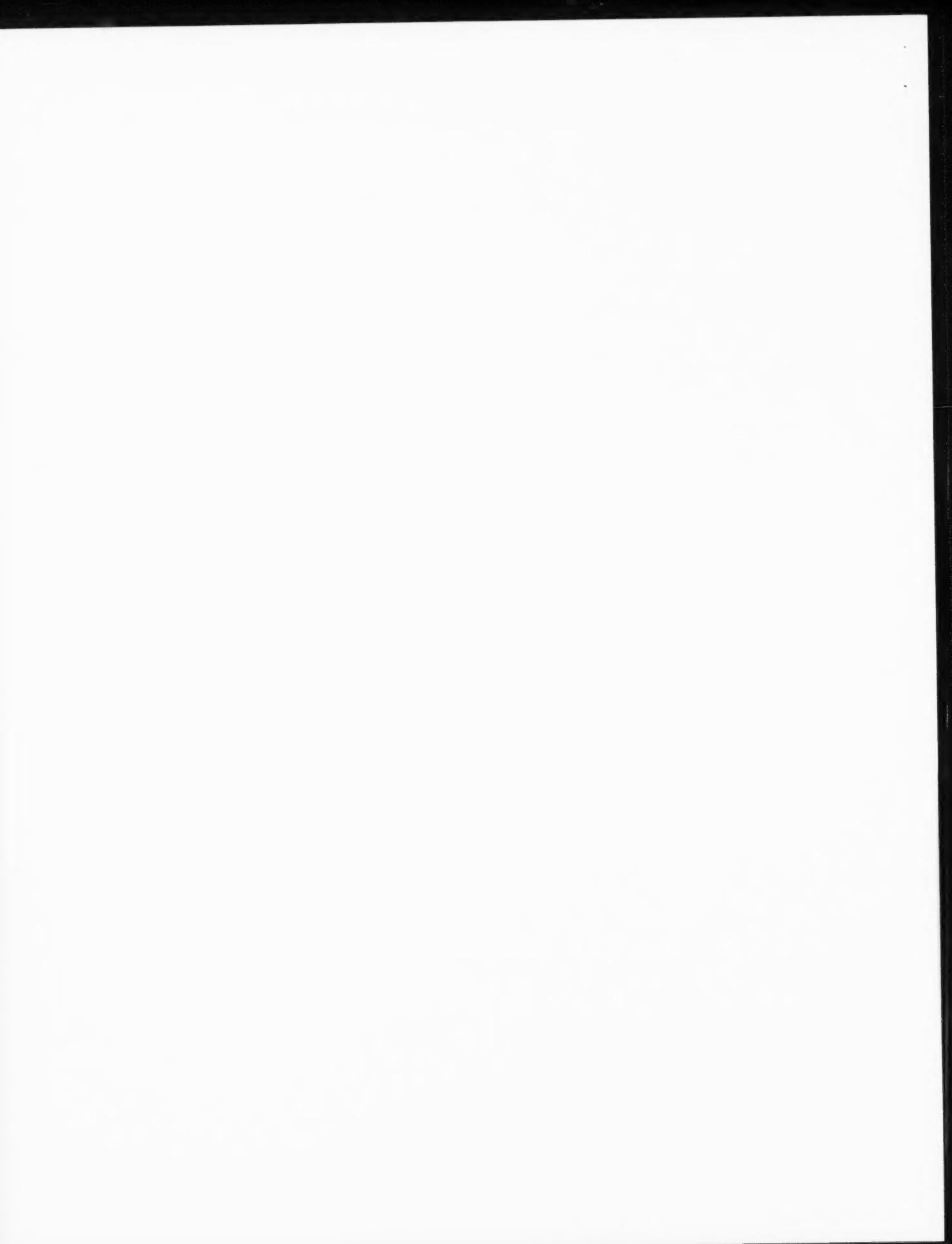
Cash is represented by cash on hand and balances with banks.

e) Inventory

Inventory is valued at the lower of cost and net realizable value.

f) Use of Estimates

These statements are prepared in accordance with Canadian generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the period. Actual results could differ from those estimates. Differences are reflected in current operations when identified.



3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments

The College has elected to apply Section 3861, Financial Instruments – Disclosure and Presentation in place of Section 3862, Financial Instruments – Disclosures and Section 3863, Financial Instruments – Presentation.

Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the College's designation of such instruments. Settlement date accounting is used.

(i) Classification

Cash	Held-for-trading
Accounts receivable	Loans and receivables
Accrued salaries and benefits	Other liabilities
Accounts payable and accrued liabilities	Other liabilities
Long-term debt	Other liabilities

(ii) Held for trading

Held for trading financial assets are financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the statement of financial position date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in income on the statement of operations.

(iii) Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

(iv) Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments.

(v) Transaction Costs

Transaction costs for all financial instruments are expensed as incurred.

(vi) Effective interest method

The College uses the effective interest method to recognize interest income or expense which includes premiums or discounts earned or incurred for financial instruments.

4. ACCOUNTS RECEIVABLE

Accounts receivable are composed of the following:

	2010 \$	2009 \$
Saskatchewan Advanced Education, Employment and Immigration	587,510	630,293
Federal Government	40,948	473,430
Other	803,314	328,514
	\$1,431,772	\$ 1,432,237



5. CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	2010 Net Book Value \$	2009 Net Book Value \$
Land	42,859	-	42,859	42,859
Buildings	6,046,565	3,795,225	2,251,340	2,501,187
Furniture and equipment	1,080,973	976,837	104,136	161,837
Leasehold improvements	291,613	224,558	67,055	86,449
Other assets	2,140,778	632,565	1,508,213	1,702,943
Vehicles	5,000	-	5,000	-
	\$ 9,607,788	\$ 5,629,185	\$ 3,978,603	\$ 4,495,275

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are composed of the following:

	2010 \$	2009 \$
Provincial Government	20,187	70,631
Federal Government	-	166,315
Other	771,788	709,581
	\$ 791,975	\$ 946,527

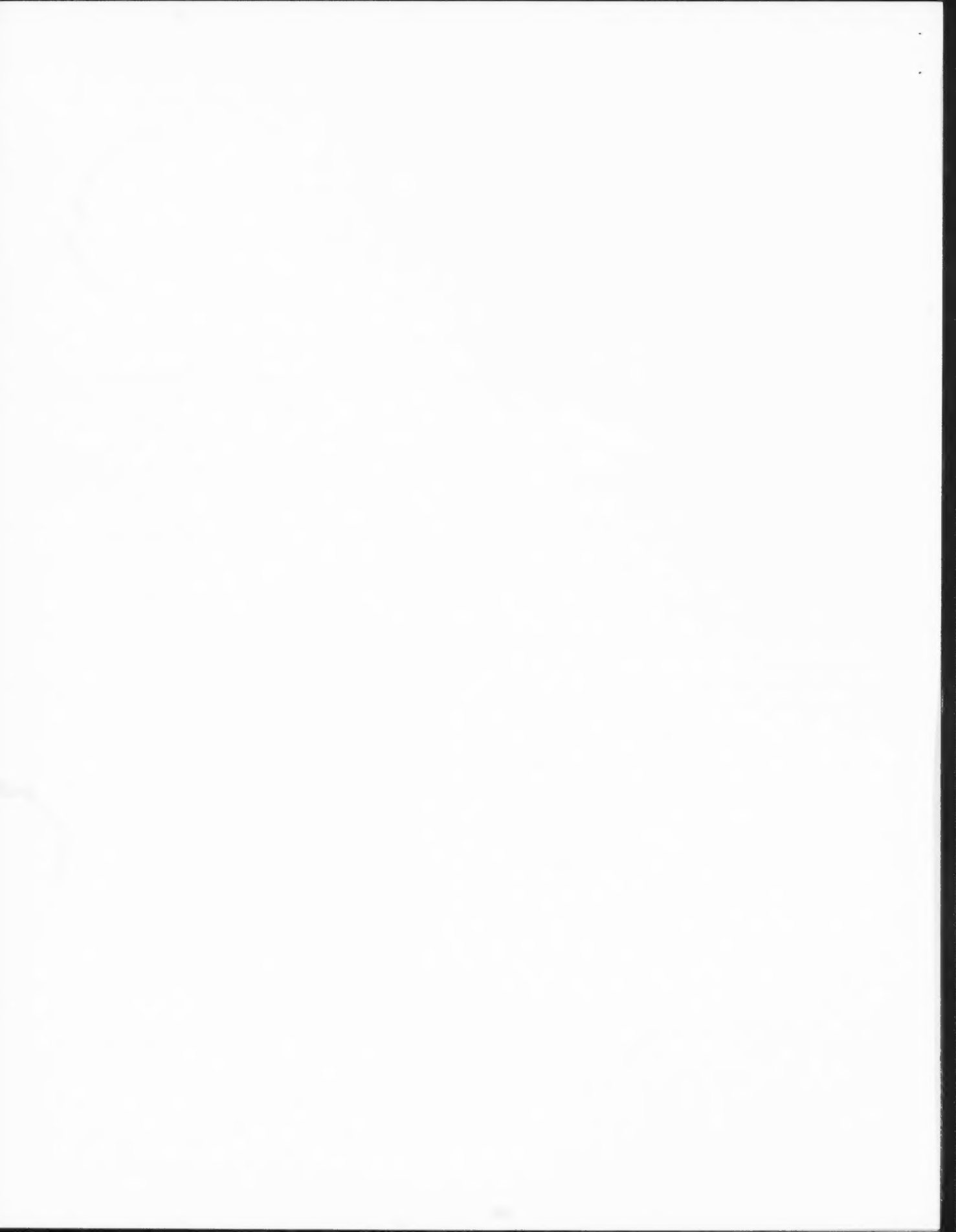
7. UNEARNED REVENUE

Unearned revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2010 \$	2009 \$
Saskatchewan Advanced Education, Employment and Immigration	1,799,984	2,092,189
Federal Government Grant	1,106	23,909
Other	509,264	229,762
	\$ 2,310,354	\$ 2,345,860

8. LONG-TERM DEBT

	2010 \$	2009 \$
Royal Bank of Canada, interest rate fixed at 5.589% per annum, monthly repayment terms of \$5,718 for 10 years, maturing February 25, 2014.	440,983	483,638
Less:	(44,916)	(42,657)
Current portion		
	\$ 396,067	\$ 440,981



8. LONG TERM DEBT (continued)

The principal repayment schedule for the next five years on long-term debt is as follows:

2011 – 44,916
2012 – 47,634
2013 – 50,424
2014 – 53,314
2015 – 56,371

9. RESTRICTIONS ON NET ASSETS

The Board of Directors of Northlands College placed internal restrictions on \$1,854,084 (2009 – \$1,504,421) of unrestricted net assets to be used for various purposes as indicated on Statement 3.

External restrictions have not been placed on assets used by Northlands College.

10. BUDGET AMOUNTS

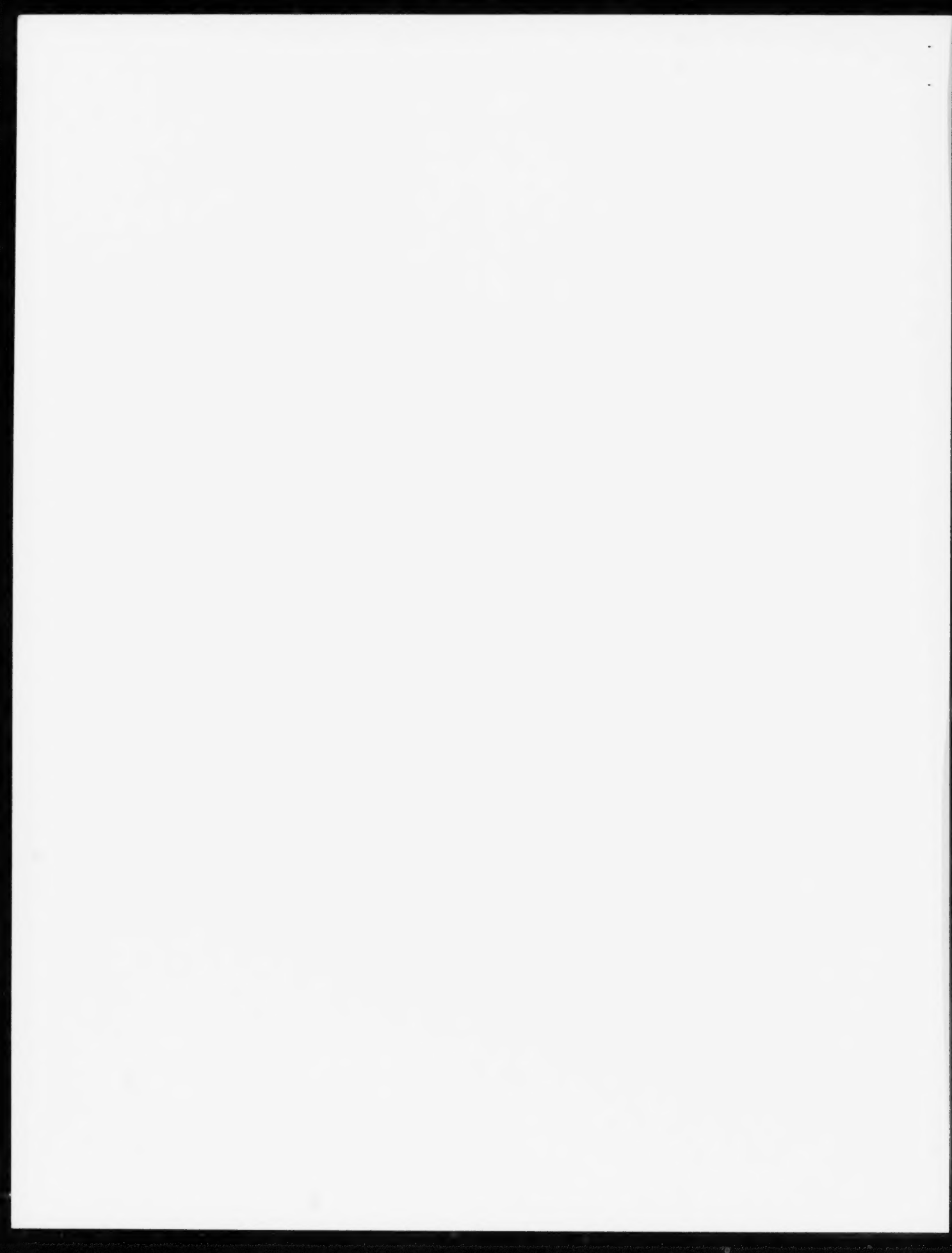
The budget amounts on these financial statements were prepared by College Management and approved by the Board on May 21, 2009. The Minister approved the budget on August 27, 2009. The budget amounts have not been subject to audit.

11. RELATED PARTY TRANSACTIONS

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown Agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

	2010 \$	2009 \$
Keewatin Yatthe Regional Health Authority	-	12,133
Ministry of Government Services	477,565	522,915
SaskTel	95,696	98,531
SaskPower and SaskEnergy	108,227	93,948
Saskatchewan Housing Corporation	498	3,975
Saskatchewan Institute of Applied Science and Technology	667,954	713,319
Saskatchewan Municipal Superannuation	607,704	472,585
Saskatchewan Regional Colleges	1,446	12,381
Saskatchewan Teachers' Federation	129,784	108,622
Saskatchewan Teachers' Superannuation	5,640	4,777
Saskatchewan Workers' Compensation Board	28,762	25,963
University of Regina	77,366	162,025
University of Saskatchewan	139,012	72,331
Total Amounts Payable/Paid to Related Parties	\$ 2,339,654	\$ 2,303,505



11. RELATED PARTY TRANSACTIONS (continued)

	2010	2009
	\$	\$
Keewatin Yatthe Regional Health Authority	12,938	59,880
Mamawetan Churchill River Health Authority	250,242	1,800
Saskatchewan Advanced Education, Employment and Immigration	12,150,969	11,549,071
Saskatchewan Apprenticeship and Trade Certification Commission	133,500	11,667
Saskatchewan Environment	-	15,000
Saskatchewan Housing Corporation	-	3,045
Saskatchewan Institute of Applied Science and Technology	37,094	68,631
Saskatchewan Regional Colleges	12,322	5,009
University of the Arctic	-	25,000
University of Regina	6,601	1,071
University of Saskatchewan	288	115
Total Amounts Receivable/Received from Related Parties	\$ 12,603,954	\$ 11,740,289

The College receives long distance telephone service between major centers from SaskTel, a related party, at reduced rates available to government agencies.

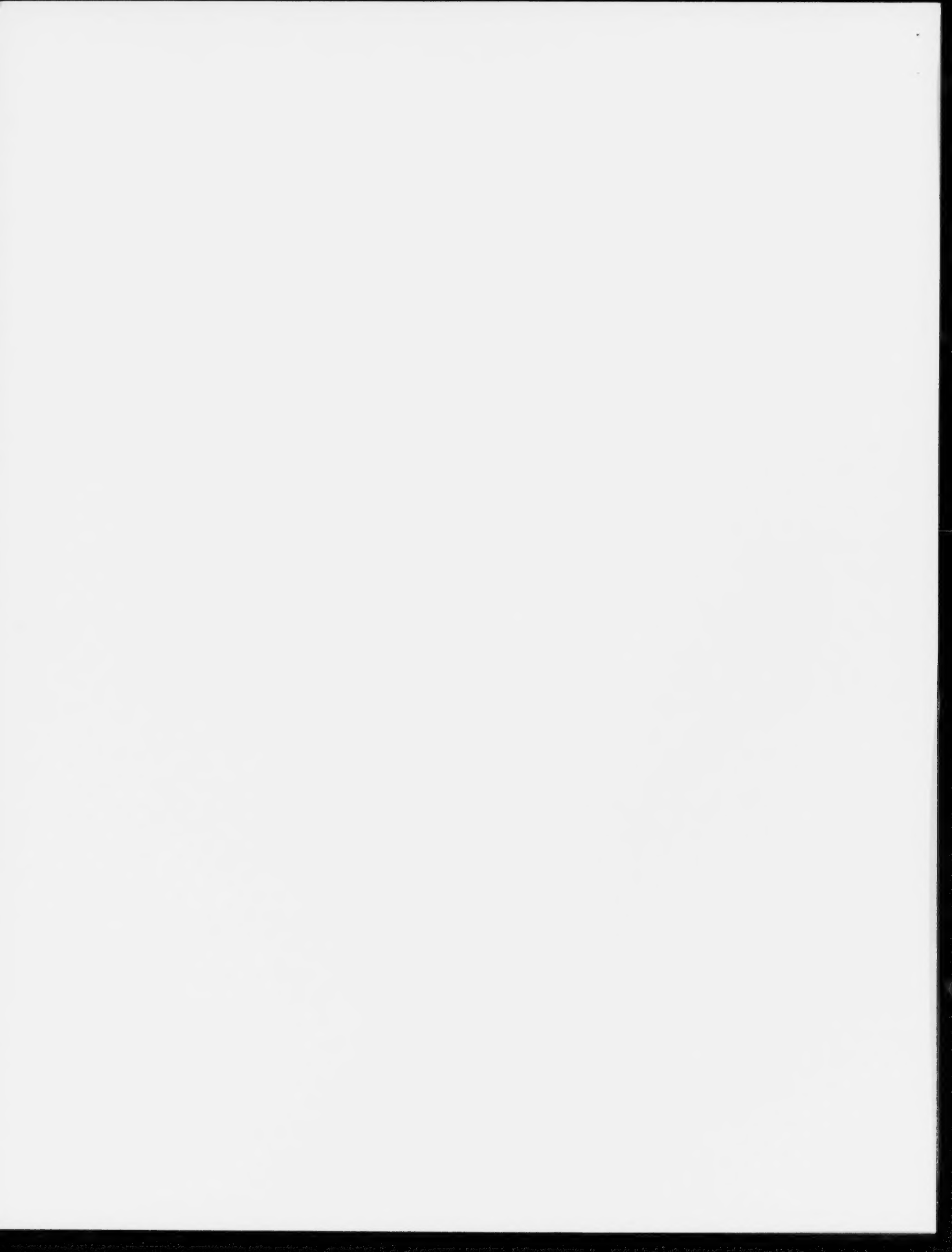
The College brokers course programs (based on negotiated rates) from Saskatchewan Institute of Applied Science and Technology (SIAST).

Other transactions with related parties are disclosed elsewhere in these financial statements and related notes.

12. FINANCIAL INSTRUMENTS

The College's significant financial instruments consist of cash, accounts receivable, accrued salaries and benefits, accounts payable and accrued liabilities, and long-term debt.

- a. The carrying amount of cash, accounts receivable, accrued salaries and benefits, and accounts payable and accrued liabilities approximate fair value due to the short-term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing or certainty of future cash flows. Based on borrowing rates currently available to the College for loans with similar terms and conditions, the carrying value of its long-term debt approximates fair value.
- b. The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivable is from the federal government and from a large number of smaller customers; therefore, credit risk is minimal.



13. EMPLOYEE FUTURE BENEFITS

Employees of the College participate in one of three pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, either the Teachers' Superannuation Plan (TSP) which is administered by the Teachers' Superannuation Commission or the Saskatchewan Teachers' Retirement Plan (STRP) which is administered by the Saskatchewan Teachers' Federation. The College has no financial obligation to TSP or STRP. Eligible employees contribute to TSP or STRP for their current service. No matching contribution is made by the College. The General Revenue Fund is responsible for the financial obligations of the TSP. All other employees participate through the Municipal Employees Pension Plan (MEPP), which is a multi-employer defined benefit plan. The College's financial obligation to MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to \$284,610 (2009 - \$234,713).

14. CONTINGENT LIABILITIES

A union representing employees of an employer unrelated to the College has applied by Notice of Motion for an order quashing purported decisions of the Municipal Employees Pension Plan relating to the application of actuarial surplus in the fund, as well as other relief. Several participating employers, including the College, have been named. It is not possible to estimate the potential effect of the claim at this stage of the proceedings.

15. LEASE AGREEMENTS

The College is currently leasing certain land and buildings under leases that expire at various dates to May 1, 2024. Annual rentals under the leases for each of the next five years are as follows:

2011	-	538,839
2012	-	538,839
2013	-	538,839
2014	-	538,839
2015	-	538,839

16. FOUNDATION

Northlands College established a wholly-owned charitable foundation called "Northlands College Scholarship Foundation Incorporated" for the purpose of advancing education by recognizing student scholastic achievement through the provision of scholarships. The Foundation recorded a deficit of \$797 in 2010 and had net assets of \$68,576 as at June 30, 2010. The Board of the Foundation is appointed by Northlands College.

17. CAPITAL MANAGEMENT

The College's objectives when managing capital are to maintain sufficient fund balances to achieve the purposes of the funds and to ensure compliance with external restrictions placed on those funds.

In the management of capital, the College includes net assets and long-term debt in the definition of capital. As at June 30, 2010 the College has \$6,210,467 (\$6,377,476 in 2009) in capital.

Capital management objectives, policies and procedures are unchanged since the preceding year.